

COOPERATIVES SOCIAL RESPONSIBILITY CASE 1

The Problem: Business Citizenship

Your cooperative is located in the suburbs of a thriving community. There are a number of active and effective social agencies in the town, including such organizations as the Red Cross, the YMCA, the Child and Family Service, the Salvation Army, and sundry health funds. For years your cooperative has refused to contribute either funds or manpower in support of these agencies or of any civic undertakings. The board of directors has reasoned that all association resources, including money, facilities, equipment and manpower, belong to the members. The board is therefore not authorized to share these resources with the community. Any cooperative participation in, or support of, community charity funds and activities should be done by the members on an individual basis. The board does have a policy that encourages employees to join and actively participate in civic organizations such as Civitan, Rotary, Kiwanis, and JC's.

In the past year your directors have begun to question this policy. Your new manager, a recent graduate of Ohio State University, makes the following report at the monthly board meeting:

"Today the president of our town's United Appeals Fund visited my office to invite me to head up this year's annual fund drive. He also asked me to arrange for the cooperative to make a substantial financial contribution to set an example for other business firms in the community. I told him I'd agree to head up the drive, and I was sure the cooperative

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would make a generous contribution to this charity."

You are a director. You are faced with making two decisions of immediate importance: (1) Should the manager be permitted to head up the fund drive on company time; and (2) should the cooperative contribute money to this charity fund?